

### **REMARKS**

Reconsideration of this application is respectfully requested in view of the foregoing amendment and the following remarks.

By the foregoing amendment, claims 11-18 have been amended, and new claim 26 has been added. The amendment finds clear support, at least, in lines 20-30 of page 5, lines 8-18 of page 7, line 11 of page 8-line 5 of page 9, and line 19 of page 9-line 5 of page 10 of the specification. No new matter has been added. Thus, claims 1, 3-26 are currently pending in the application and subject to examination.

In the Office Action mailed November 4, 2005, the Examiner rejected claims 1-8 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 4,874,935 to Younger ("Younger"); claims 11-15 and 19-25 under 35 U.S.C. § 102(b) as being anticipated by U.S. Published Application No. 2001/0014881A1 to Drummond et al. ("Drummond"); claim 9 under 35 U.S.C. § 103(a) as being unpatentable over Younger in view of U.S. Patent No. 5,157,726 to Merkle et al. ("Merkle"); claim 10 under 35 U.S.C. § 103(a) as being unpatentable over Younger in view of U.S. Patent No. 6,698,661 to Cooreman et al. ("Cooreman"); and claims 16, 17, and 18 under 35 U.S.C. § 103(a) as being unpatentable over Drummon in view of U.S. Published Application No. 2003/0055652 to Nichols et al. ("Nichols"). It is noted that claim 11 has been amended. To the extent that the rejections remain applicable to the claims currently pending, the Applicant hereby traverses the rejection as follows.

With regard to claim 1, the Applicant respectfully submits that Younger does not disclose or suggest at least the limitations of a microchip embedded in the card substrate and that the plurality of transaction types includes a medical transaction, a

financial transaction, and an e-commerce transaction. Younger only discloses a smart card with a microcomputer. (See column 1 lines 39-41). Younger states that “a smart card might contain a person’s entire medical history, financial information, etc. In addition, such cards might be used to automatically debit one’s bank account. . . .” Younger does not disclose or suggest a medical “transaction”. The specification teaches an example of the possible medical transactions as presenting the card with medical information, permitting a medical provider to access and update the information and similarly using the card for filling prescriptions at a pharmacy, attending a medical clinic or specialist, in an emergency situation, scheduling medical appointments, and receiving an on-line medical consultation (See page 5, lines 24-28; page 7, lines 20-26; and page 8 line 11 – page 9, line 18). In addition, Younger does not disclose or suggest one of the plurality of transactions as an e-commerce transaction.

The microcomputer taught by Younger is different than the microchip in claim 1. Younger teaches a microcomputer with electrically erasable programmable read only memory (EEPROM) which is programmed with a smart card control program. This programming occurs before the microcomputer is embedded in the card. (See Younger Column 1, lines 39-42; column 2, lines 11-14; and claim 11). The microchip in claim 1 is not a microcomputer. Although both have memory, the microchip does not contain programming.

For at least these reason, the Applicant submits that claim 1 is allowable over the cited art. As claim 1 is allowable, the Applicant submits that claims 3-10, which depend from allowable claim 1, are likewise allowable over the cited art for at least these reasons.

With regard to claim 11, the Applicant submits that Drummond does not disclose or suggest at least the limitation of executing a first nonfinancial transaction type.

Drummond merely teaches a “personal ATM” used for various purchases or financial transactions, as in paragraph 0145, which states that the personal ATM “may transfer money to a connected service such as the medical dispenser service to pay for a dispensed medical item.” Drummond does not teach a first nonfinancial transaction type.

For at least this reason, the Applicant submits that claim 11, as amended, is allowable over the cited art for at least this reason. As claim 11 is allowable, the Applicant submits that claims 12-26, which depend from allowable claim 11, are likewise allowable for at least this reason.

In addition, it is submitted that Drummond does not qualify as prior art under §102(b) as Drummond is merely a pending application that was not published more than a year before the current application was filed.

With regard to claim 9, the Applicant submits that Merkle does not cure the deficiency in Younger.

With regard to claim 10, the Applicant submits that Cooreman does not cure the deficiency in Younger.

With regard to claim 16, 17, and 18, the Applicant submits that Nichols does not cure the deficiency in Drummond.

With regard to each of the rejections under §103 in the Office Action, it is also respectfully submitted that the Examiner has not yet set forth a *prima facie* case of obviousness. The PTO has the burden under §103 to establish a *prima facie* case of

obviousness. In re Fine, 5 U.S.P.Q.2nd 1596, 1598 (Fed. Cir. 1988). Both the case law of the Federal Circuit and the PTO itself have made clear that where a modification must be made to the prior art to reject or invalidate a claim under §103, there must be a showing of proper motivation to do so. The mere fact that a prior art reference could arguably be modified to meet the claim is insufficient to establish obviousness. The PTO can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references. Id. In order to establish obviousness, there must be a suggestion or motivation in the reference to do so. See also In re Gordon, 221 U.S.P.Q. 1125, 1127 (Fed. Cir. 1984) (prior art could not be turned upside down without motivation to do so); In re Rouffet, 149 F.3d 1350 (Fed. Cir. 1998); In re Dembiczak, 175 F.3d 994 (Fed. Cir. 1999); In re Lee, 277 F.3d 1338 (Fed. Cir. 2002).

In the Office Action, the Examiner merely states that the present invention is obvious in light of the cited references. See, e.g., Office Action at pages 10-11. This is an insufficient showing of motivation.

Therefore, for at least the reasons discussed above, the Applicant respectfully requests a withdrawal of the rejections of claims 1, and 3-26.

**CONCLUSION**

For all of the above reasons, it is respectfully submitted that the claims now pending patentability distinguish the present invention from the cited references. Accordingly, reconsideration and withdrawal of the outstanding rejections and an issuance of a Notice of Allowance are earnestly solicited.

Should the Examiner determine that any further action is necessary to place this application into better form, the Examiner is encouraged to telephone the undersigned representative at the number listed below.

In the event this paper is not considered to be timely filed, the Applicants hereby petition for an appropriate extension of time. The fee for this extension may be charged to our Deposit Account No. 01-2300. The Commissioner is hereby authorized to charge any fee deficiency or credit any overpayment associated with this communication to Deposit Account No. 01-2300, with reference to Attorney Docket No. 023693-00001.

Respectfully submitted,

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